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SECURITIES AND EXCHANGE COMMISSION

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Washington, D.C. 20549

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FORM 10-Q

Quarterly Report Under Section 13 or 15 (d)
of the Securities Exchange Act of 1934

Q3.0258

For Quarter Ended March 31, 1992

Commission File Number 0-18927

TANDY BRANDS ACCESSORIES, INC.
(Exact name of Registrant as specified in its Charter)

Delaware	75-2349915
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

690 East Lamar Boulevard, Suite 200, Arlington, TX 76011
(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code (817) 548-0090

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes X No ____

Indicate the number of shares outstanding of each of the issuer's classes of common stock as of the latest practicable date.

Class	Number of shares outstanding at March 31, 1992
Common stock, $1 par value	2,004,546

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TANDY BRANDS ACCESSORIES, INC.

Form 10-Q

Quarter Ended March 31, 1992

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TANDY BRANDS ACCESSORIES, INC.
File Number 0-18927
Form 10-Q
Condensed Statements of Income
(Amounts in Thousands, Except Per Share Amounts)
(Unaudited)

	Three Months Ended March 31		Nine Months Ended March 31	
	1992	1991	1992	1991
Gross sales, less discounts, returns and allowances	$7,524	$6,394	$25,999	$20,308
Royalty, interest and other income	61	59	160	84
Total revenues	7,585	6,453	26,159	20,392
Costs and expenses:				
Cost of goods sold (exclusive of depreciation)	4,187	3,709	14,627	11,795
Selling, general and administrative	2,307	1,930	7,289	5,995
Depreciation and amortization	96	65	287	246
Interest expense	2	11	6	11
Spin-off costs	--	166	--	356
Total costs and expenses	6,592	5,881	22,209	18,403
Income before income taxes	993	572	3,950	1,989
Provision for income taxes	397	200	1,580	845
Net income	$ 596	$ 372	$ 2,370	$ 1,144
Average common shares and common share equivalents	2,175	1,943	2,144	1,935
Net income per average common share and common share equivalent	$ .27	$ .19	$ 1.11	$ .59
Cash dividends per common share	None	None	None	None

The accompanying notes are an integral part of these financial statements.

TANDY BRANDS ACCESSORIES, INC.
File Number 0-18927
Form 10-Q
Condensed Balance Sheets
(Dollars in Thousands)

ASSETS	March 31, 1992 (Unaudited)	June 30, 1991
Current assets:		
Cash and short-term investments	$ 588	$ 1,669
Accounts receivable, net	6,043	4,720
Inventories:		
Raw materials and work in process	4,107	3,517
Finished goods	6,750	4,628
Other current assets	607	592
Total current assets	18,095	15,126
Property and equipment, at cost	3,118	2,849
Accumulated depreciation	(1,624)	(1,520)
Net property and equipment	1,494	1,329
Goodwill, less amortization	1,433	1,485
Other assets, including deferred charges	625	675
TOTAL ASSETS	$21,647	$18,615
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 854	$ 889
Accrued expenses	2,012	1,664
Total current liabilities	2,866	2,553
Other noncurrent liabilities	616	610
Total liabilities	3,482	3,163
Stockholders' equity:		
Preferred stock, $1 par value; 1,000,000 shares authorized; none issued	--	--
Common stock, $1 par value, 10,000,000 shares authorized, 2,004,546 shares and 1,314,243 shares issued as of March 31, 1992 and June 30, 1991, respectively	2,005	1,314
Additional paid-in capital	12,778	13,126
Retained earnings	3,382	1,012
Total stockholders' equity	18,165	15,452
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$21,647	$18,615

The accompanying notes are an integral part of these financial statements.

TANDY BRANDS ACCESSORIES, INC.
File Number 0-18927
Form 10-Q
Condensed Statements of Cash Flow (Unaudited)
(Dollars in Thousands)

	Nine Months Ended March 31	
	1992	1991
Cash flows from operating activities:		
Net income	$ 2,370	$ 1,144
Adjustments to reconcile net income to net cash provided (used) by operating activities:		
Depreciation	192	166
Amortization	95	80
Noncash spin-off costs	--	166
Deferred income taxes	--	(50)
Change in assets and liabilities:		
Increase in accounts receivable	(1,323)	(1,150)
(Increase) decrease in inventories	(2,712)	828
Increase in other current assets	(15)	(225)
Decrease in accounts payable	(35)	(159)
Increase in accrued expenses	348	799
(Increase) decrease in noncurrent assets	7	(64)
Increase (decrease) in noncurrent liabilities	6	(11)
Net cash provided (used) by operating activities	(1,067)	1,524
Cash flows from investing activities:		
Purchases of property and equipment	(424)	(463)
Proceeds from sale of property and equipment	67	--
Net cash used by investing activities	(357)	(463)
Cash flows from financing activities:		
Exercise of employee stock options	58	--
Retirement of fractional shares resulting from stock split	(5)	--
Sale of unissued shares to employees stock purchase program	290	30
Net cash provided by financing activities	343	30
Net increase (decrease) in cash and cash equivalents	(1,081)	1,091
Cash and cash equivalents at beginning of period	1,669	9
Cash and cash equivalents at end of period	$ 588	$ 1,100
Supplemental disclosures of cash flow information:		
Cash paid during the period for:		
Interest	$ 4	$ 21
Income taxes	1,553	--

Supplemental schedule of noncash activities:
See Footnote 2 for discussion of the spin-off

The accompanying notes are an integral part of these financial statements.

TANDY BRANDS ACCESSORIES, INC.

Notes to Condensed Financial Statements
(Unaudited)

Note 1 - Accounting Principles.

In the opinion of the Company, the accompanying condensed financial statements contain all adjustments (consisting of only normal recurring adjustments) necessary to present fairly the financial position as of March 31, 1992 and 1991, and the results of operations and cash flows for the nine months then ended. The results of operations for the nine month periods ended March 31, 1992 and 1991, are not indicative of the results to be expected for the full year.

Note 2 - Spin-off of Tandy Brands Accessories, Inc.

In June 1990, the Board of Directors of the Bombay Company, Inc. (Bombay) approved a plan whereby the operations of its Tandy Brands Accessories division would be spun-off. In connection with this plan, Bombay formed a wholly-owned subsidiary, Tandy Brands Accessories, Inc., and transferred the operations to be spun-off to this subsidiary in exchange for 1,237,992 shares of the subsidiary's common stock. The spin-off became effective on December 31, 1990 by means of a distribution of the stock of the Company to the stockholders of Bombay on the basis of one share of the Company for each five shares of Bombay held. In addition, J.S.B. Jenkins, Chief Executive Officer, exchanged the Bombay shares he owned for 48,794 common shares of the Company. On December 31, 1990, the Company ceased to be a wholly-owned subsidiary of Bombay and was established as a separate, publicly-owned company. The Board of Directors established retained earnings equal to zero on December 31, 1990. Undistributed earnings prior to this date were allocated to paid in capital.

Administrative expenses incurred by Bombay have been allocated to the Company for periods prior to December 31, 1990. For the three month and nine month periods ended March 31, 1991, the Company also paid $166,000 and $356,000 in expenses related to the spin-off process.

Note 3 - Stock Split.

On November 13, 1991, the Board of Directors approved a 3 for 2 stock split to be affected by a stock dividend to stockholders of record on November 25, 1991. The distribution was completed on December 16, 1991 and was reflected in the financial statements by an increase in Common Stock amounting to $665,000 and a decrease in Paid in Capital of $665,000.

Note 4 - Acquisition of Accessory Design Group, Ltd.

On April 30, 1992, TBA Acquisition, Inc., a wholly owned subsidiary of Tandy Brands Accessories, Inc., acquired all outstanding common stock of Accessory Design Group, Ltd. (ADG) in exchange for $175,000 and 52,809 shares of common stock of Tandy Brands Accessories, Inc. In conjunction with the merger, two of the former principals of ADG have executed three year employment contracts which contain non-compete provisions. The non-compete provisions are applicable, under certain conditions, in the event their employment with the Company terminates.

ADG domestically markets women's fashion accessories including belts, handbags, hair accessories and hosiery. All goods sold by ADG are purchased domestically, or imported, as finished goods. The Company intends to continue operations as Accessory Design Group and to maintain management's current marketing and merchandising focus.

The acquisition of all the assets and liabilities of ADG will be accounted for under the purchase method of accounting and the resultant goodwill will be amortized over a 40 year period. Also on April 30, 1992, the Company retired $1,350,000 in various ADG notes payable to various lenders which bore interest at 12% per annum.

Unaudited pro forma combined results of Tandy Brands Accessories, Inc. and ADG (as if the acquisition had occurred at the beginning of the period for the nine month periods ended March 31, 1992 and 1991 are as follows:

Selected Pro Forma Data
(In thousands except per share data)

	Nine Months Ended March 31, 1992	Nine Months Ended March 31, 1991
Net Sales	$32,242	$24,895
Net Income	$ 2,591	$ 1,200
Net Income Per Share	$ 1.18	$ .60

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS TANDY BRANDS ACCESSORIES, INC.

GENERAL

Tandy Brands Accessories, Inc. (the "Company") manufactures and markets men's and boys' accessories and neckwear. The business is conducted primarily in the United States. Historically, the Company's sales and operating results are fairly consistent throughout the fiscal year, but there is a seasonal increase during the second quarter.

On April 30, 1992, the Company acquired all the common stock of Accessory Design Group, Ltd. (ADG) in a merger transaction. ADG markets women's accessories in the United States primarily to department stores, mass merchants and chain stores. (See Note 4 of Notes to Condensed Financial Statements for additional information regarding the acquistion of ADG.)

RESULTS OF OPERATIONS

Three Months Ended March 31, 1992 Compared to Three Months Ended March 31, 1991

The Company's sales increased by $1,130,000, or 17.7%, over the same period of the prior year. Increased sales of belts and neckwear sales accounted for the sales increase.

Cost of goods sold was 55.7% of sales for the three months ended March 31, 1992 compared to 58.0% for the same period of the prior year. The decrease was caused by increased efficiencies in the manufacturing facilities as a result of higher production levels.

Selling, general and administrative expenses increased by $377,000 due to the incremental costs associated with the sales increase noted above and additional costs associated with being a public company. As a percentage of sales, selling, general and administrative expenses increased to 30.7% of sales for the three months ended March 31, 1992 compared to 30.2% for the prior year.

Depreciation and amortization increased by $31,000 due primarily to the addition of computer and manufacturing equipment.

Income before income taxes increased by $421,000 due to increased sales and interest income which was partially offset by increased cost of sales and higher selling, general and administrative expenses. The nonrecurring spin-off costs in the prior year period accounted for $166,000 of the increased income before taxes.

The effective income tax rate for the quarter ended March 31, 1992 was 40.0% compared to 35.0% for the same period of the prior year. The higher effective income tax rate reflects the estimated potential impact as a result of recent franchise tax legislation enacted by the State of Texas.

Nine Months Ended March 31, 1992 Compared to Nine Months Ended March 31, 1991

The Company's sales increased by $5,691,000, or 28.0%, over the same period of the prior year. Increased neckwear sales and increased sales of belts and wallets to mass merchandisers and department stores accounted for the sales increase.

Cost of goods sold was 56.3% of sales for the nine months ended March 31, 1992 compared to 58.1% for the same period of the prior year. The decrease was caused by increased productivity levels in the manufacturing facilities which was partially offset by a change in customer mix.

Selling, general and administrative expenses increased by $1,294,000 due to the incremental costs associated with the sales increase noted above and additional costs associated with being a public company. As a percentage of sales, these expenses were 28.0% for the nine months ended March 31, 1992 compared to 29.5% for the same period of the prior year.

Depreciation and amortization increased by $41,000 due to capital expenditures for computer and neckwear production equipment.

Income before income taxes increased by $1,961,000 due to increased sales and other income which was partially offset by increased cost of sales and higher expenses. The nonrecurring spin-off costs in the prior year accounted for $356,000 of the increased income before taxes.

The effective income tax rate for the nine months ended March 31, 1992 was 40.0% compared to 42.5% for the same period of the prior year. The higher effective tax rate for the prior year period was due to the non-deductible nature of spin-off costs incurred during that period.

LIQUIDITY AND CAPITAL RESOURCES

The Company's primary source of liquidity is cash flow from operations. As of March 31, 1992, the Company had two unsecured bank credit lines aggregating $15,000,000 which can be used for seasonal borrowings or letters of credit. (These aggregate available lines have been increased to $19,000,000 as of April 30, 1992.) There were no outstanding borrowings at March 31, 1992.

For the nine months ended March 31, 1992, the Company's operating activities used cash of $1,067,000 compared to providing cash of $1,524,000 for the same period of the prior year. Increases in accounts receivable, income tax payments and inventories in the 1992 period were greater than net income, depreciation/amortization and the increase in accrued expenses.

Capital expenditures were $424,000 in the period ended March 31, 1992 compared to $463,000 for the same period of the prior year. The expenditures were primarily for vehicles, neckwear production and computer equipment.

The Company believes that its cash flow from operations and borrowings available under bank lines of credit are sufficient to fund its operations for the foreseeable future.

TANDY BRANDS ACCESSORIES, INC.
PART II - OTHER INFORMATION

ITEM 6. Exhibits and Reports on Form 8-K.

No reports on Form 8-K have been filed during the quarter ended March 31, 1992. The exhibits filed as a part of this report are listed below.

Exhibit No.	Description
11	Statement Regarding Computation of Per Share Earnings
20	Quarterly Report to Stockholders - Quarter Ended March 31, 1992

Exhibit 11. Statement Regarding Computation of Per Share Earnings

	Three Months Ended March 31,		Nine Months Ended March 31,	
Primary Earnings Per Share:	1992	1991	1992	1991
Weighted average of shares outstanding	2,002,222	1,942,500	1,990,103	1,935,000
Common share equivalents resulting from treasury share method calculation of outstanding stock options	172,467	--	154,220	--
Average common shares and common equivalent shares	2,174,689	1,942,500	2,144,323	1,935,000

Note: Average number of common shares and common share equivalents have been adjusted to reflect 3 for 2 stock split distributed to shareholders of record on November 25, 1991.

TANDY BRANDS ACCESSORIES, INC.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

TANDY BRANDS ACCESSORIES, INC.
(Registrant)

P.S.B. Jenkins
President and Chief Executive Officer

Stanley C. Ninemire
Vice President and Treasurer
(Principal Financial Officer)

Date: May 12, 1992

Exhibit 20.

TANDY·BRANDS ACCESSORIES, INC.

INTERIM REPORT
NINE MONTHS ENDED
MARCH 31, 1992

3

RESULTS FOR NINE MONTHS

May 8, 1992

Tandy Brands Accessories, Inc. had a very successful third quarter. In addition to reporting sales gains of 18 percent compared with the same quarter last year, the Company announced the acquisition of Accessory Design Group, Ltd., a domestic marketer of women's accessories.

On April 30, 1992, TBA Acquisition, Inc., a wholly owned subsidiary of Tandy Brands Accessories, Inc., acquired all the common stock of Accessory Design Group, Ltd. (ADG) in exchange for $175,000 and 52,809 shares of common stock of Tandy Brands Accessories, Inc. The 52,809 shares of Company common stock issued represented 2.6 percent of the outstanding common stock as of March 31, 1992. ADG has a strong customer base, experienced management and proven growth capabilities. The synergy between the two companies should help achieve ADG's potential for superior growth and profitability.

For the three months ended March 31, 1992, the Company reported net income of $596,000 or $.27 per share compared to net income for the same period in the prior year of $372,000 or $.19 per share. The prior year income before taxes for the quarter ended March 31, 1991 was negatively impacted by spin-off costs of $166,000.

Net income for the nine months ended March 31, 1992 was $2,370,000 or $1.11 per share compared to net income for the same period in the prior year of $1,144,000 or $.59 per share. The prior year income before taxes for the nine months ended March 31, 1991 was negatively impacted by spin-off costs of $356,000.

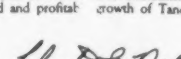
As a result of recent state franchise tax legislation, net income for the three and nine months ended March 31, 1992 reflects an increase in the Company's annual effective tax rate to 40.0 percent from 35.5 percent.

Earnings per share reported for the three and nine month periods ended March 31, 1992, and 1991, reflect the three for two stock split distributed to stockholders of record on November 25, 1991. The stock split increased the number of shares of common stock issued from 1,329,515 to 1,994,515, an increase of 665,000 shares. The stock split reflects the strong market appreciation of the Company's stock over the past year and the Company's ongoing commitment to increase market liquidity.

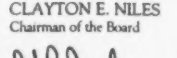
Net sales for the three months ended March 31, 1992 were $7,524,000, an 18 percent increase compared to the comparable period in the prior year of $6,394,000. The third quarter sales increase of 20% in 1991 was very strong, a fact which underscores the Company's achievement of an additional 18 percent increase this year. Net sales for the nine months ended March 31, 1992 were $25,999,000, a 28 percent increase compared to net sales in the comparable period in the prior year of $20,308,000. Even in these times of difficult economic conditions we continue to realize sales increases in every major product category over the prior year.

As of March 31, 1992, the Company ended the period with cash and short term investments of $588,000. In conjunction with the acquisition of ADG, the Company retired on April 30, 1992, $1,350,000 of notes payable owed by ADG which bore annual interest of 12 percent. Because of our strong sales increase of 23 percent in the fourth quarter of 1991, we anticipate modest sales increases in the fourth quarter of this fiscal year compared to the same quarter in the prior year.

On a pro forma basis for the nine months ended March 31, 1992, Accessory Design Group had sales of $6,243,000 and net income of $221,000, which would have added $.07 to the Company's earnings per share. Although we anticipate ADG to break even or have slight seasonal losses for the months of May and June 1992, we expect strong growth in sales and profits in fiscal 1993. With the acquisition of Accessory Design Group, Ltd., the Company has demonstrated its commitment to invest in the disciplined and profitable growth of Tandy Brands Accessories, Inc.



CLAYTON E. NILES
Chairman of the Board



J.S.B. JENKINS
President and
Chief Executive Officer

TANDY BRANDS ACCESSORIES, INC.

Condensed Balance Sheets
(Dollars in Thousands)

	March 31, 1992	June 30, 1991
	(Unaudited)	
ASSETS		
Current assets:		
Cash and short-term investments	$ 588	$ 1,669
Accounts receivable, net	6,043	4,720
Inventories, at lower of cost or market	10,857	8,145
Other current assets	607	592
Total current assets	18,095	15,126
Property and equipment, at cost	3,118	2,849
Accumulated depreciation	(1,624)	(1,520)
Net property and equipment	1,494	1,329
Goodwill, less amortization	1,433	1,485
Other assets, including deferred charges	625	675
TOTAL ASSETS	$ 21,647	$ 18,615
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 854	$ 889
Accrued expenses	2,012	1,664
Total current liabilities	2,866	2,553
Other noncurrent liabilities	616	610
Total liabilities	3,482	3,163
Stockholders' equity:		
Common stock, $1 par value, 10,000,000 shares authorized, 2,004,546 shares and 1,314,243 shares issued as of March 31, 1992 and June 30, 1991, respectively	2,005	1,314
Additional paid-in capital	12,778	13,126
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Total stockholders' equity	18,165	15,452
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$ 21,647	$ 18,615

TANDY BRANDS ACCESSORIES, INC.

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Net income per average common share and common share equivalent	$ .27	$ .19	$ 1.11	$ .59

TANDY·BRANDS
ACCESSORIES, INC.

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